STATE RISK MANAGEMENT FUND
INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2008

	October-08				September-08				Current FYTD	Prior Year FY08	3 Years Ended 6/30/2008	5 Years Ended 6/30/2008
		Allocation		Month		Allocation		Quarter				
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY												
Structured Growth												
Los Angeles Capital	91,294	2.9%	3.4%	-16.95%	109,895	3.2%	3.4%	-12.89%	-27.65%	-7.79%	7.68%	N/A
Total Structured Growth	**91,294**	**2.9%**	**3.4%**	**-16.95%**	**109,895**	**3.2%**	**3.4%**	**-12.89%**	**-27.65%**	**-7.79%**	**7.68%**	**9.56%**
Russell 1000 Growth				*-17.61%*				*-12.33%*	*-27.76%*	*-5.96%*	*5.91%*	*7.32%*
Structured Value												
LSV	**83,101**	**2.7%**	**3.4%**	**-20.01%**	**103,833**	**3.0%**	**3.4%**	**-6.65%**	**-25.33%**	**-21.43%**	**3.81%**	**11.57%**
Russell 1000 Value				*-17.31%*				*-6.11%*	*-22.37%*	*-18.78%*	*3.53%*	*8.92%*
Russell 1000 Enhanced Index												
LA Capital	**185,402**	**6.0%**	**6.8%**	**-15.71%**	**222,047**	**6.5%**	**6.8%**	**-9.52%**	**-23.73%**	**-9.54%**	**6.97%**	**N/A**
Russell 1000				*-17.46%*				*-9.35%*	*-25.18%*	*-12.36%*	*4.81%*	
S&P 500 Enhanced Index												
Westridge	**190,587**	**6.1%**	**6.8%**	**-16.71%**	**228,754**	**6.7%**	**6.8%**	**-8.06%**	**-23.42%**	**-12.18%**	**4.98%**	**N/A**
S&P 500				*-16.79%*				*-8.37%*	*-23.76%*	*-13.12%*	*4.41%*	
Index												
State Street	59,087			-17.05%	71,756			-11.64%	-26.70%	-18.24%	2.93%	6.64%
Total 130/30	**59,087**	**1.9%**	**2.3%**	**-17.05%**	**71,756**	**2.1%**	**2.3%**	**-11.64%**	**-26.70%**	**-18.24%**	**2.93%**	**6.64%**
S&P 500				*-16.79%*				*-8.37%*	*-23.76%*	*-13.12%*	*4.41%*	*7.59%*
TOTAL LARGE CAP DOMESTIC EQUITY	***609,470***	***19.7%***	***22.5%***	**-16.94%**	***736,285***	***21.6%***	***22.5%***	**-9.42%**	**-24.76%**	**-12.71%**	**5.68%**	**9.31%**
S&P 500				*-16.79%*				*-8.37%*	*-23.76%*	*-13.12%*	*4.41%*	*7.59%*
SMALL CAP DOMESTIC EQUITY												
Manager-of-Managers												
SEI	***92,939***	***3.0%***	***3.8%***	***-22.99%***	***120,208***	***3.5%***	***3.8%***	***-6.64%***	***-28.10%***	***-20.93%***	**2.06%**	**9.10%**
Russell 2000 + 200bp				*-20.64%*				*-0.61%*	*-21.12%*	*-14.48%*	*5.88%*	*12.50%*
Enhanced												
Research Affiliates	102,565	3.3%	3.8%	-21.05%	129,808	3.8%	3.8%	-2.34%	-22.89%	N/A	N/A	N/A
Clifton	113	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Enhanced	**102,678**	**3.3%**	**3.8%**	**-21.05%**	**129,808**	**3.8%**	**3.8%**	**-2.34%**	**-22.89%**	**N/A**	**N/A**	**N/A**
Russell 2000				*-20.80%*				*-1.11%*	*-21.68%*	*-16.19%*		
TOTAL SMALL CAP DOMESTIC EQUITY	***195,616***	***6.3%***	***7.5%***	***-21.98%***	***250,016***	***11.1%***	***7.5%***	***-4.46%***	***-25.46%***	***-21.14%***	**1.97%**	**9.04%**
Russell 2000				*-20.80%*				*-1.11%*	*-21.68%*	*-16.19%*	*3.79%*	*10.29%*
DOMESTIC FIXED INCOME												
Core Bond												
Western Asset	**625,940**	**20.2%**	**20.2%**	**-6.68%**	**670,669**	**19.7%**	**20.2%**	**-5.05%**	**-11.39%**	**2.06%**	**2.76%**	**3.55%**
Lehman Aggregate				*-2.36%*				*-0.49%*	*-2.84%*	*7.12%*	*4.09%*	*3.86%*
Mortgage Backed												
Hyperion	**121,109**	**3.9%**	**5.2%**	**-7.36%**	**129,072**	**3.8%**	**5.2%**	**-21.09%**	**-26.90%**	**-20.24%**	**N/A**	**N/A**
Lehman Global Aggregate (US Securitized Portion)				*-3.66%*				*-1.46%*	*-5.07%*	*10.14%*		
Core Plus/Enhanced												
Clifton Group	202,485	6.5%	5.2%	-0.25%	204,278	6.0%	5.2%	0.43%	0.18%	10.17%	N/A	N/A
Prudential	190,442	6.1%	5.2%	-5.21%	199,048	5.8%	5.2%	-1.35%	-6.49%	4.89%	N/A	N/A
Total Core Plus/Enhanced	**392,927**	**12.7%**	**10.4%**	**-2.70%**	**403,326**	**11.8%**	**10.4%**	**-0.46%**	**-3.15%**	**7.55%**	**N/A**	**N/A**
Lehman Aggregate				-2.36%				-0.49%	-2.84%	7.12%		
Index												
Bank of ND	**343,605**	**11.1%**	**9.1%**	**-2.32%**	**351,672**	**10.3%**	**9.1%**	**-1.24%**	**-3.53%**	**7.68%**	**3.93%**	**3.28%**
Lehman Gov/Credit (1)				*-2.51%*				*-1.64%*	*-4.10%*	*7.24%*	*3.84%*	*3.24%*
BBB Average Quality												
Wells Capital (formerly Strong)	**632,086**	**20.4%**	**20.2%**	**-7.91%**	**687,612**	**20.2%**	**20.2%**	**-3.67%**	**-11.29%**	**3.55%**	**3.04%**	**3.85%**
Lehman US Credit BAA				*-10.95%*				*-4.85%*	*-15.26%*	*2.62%*	*2.52%*	*3.59%*
TOTAL DOMESTIC FIXED INCOME	***2,115,668***	***68.2%***	***65.0%***	***-5.69%***	***2,242,352***	***65.8%***	***65.0%***	***-4.37%***	**-9.82%**	**2.32%**	**3.89%**	**5.04%**
Lehman Aggregate (2)				*-2.36%*				*-0.49%*	*-2.84%*	*7.12%*	*4.09%*	*3.73%*
CASH EQUIVALENTS												
Bank of ND	***180,130***	***5.8%***	***5.0%***	***0.13%***	***179,902***	***5.3%***	***5.0%***	***0.48%***	***0.61%***	***3.43%***	***4.10%***	***3.38%***
90 Day T-Bill				*0.11%*				*0.63%*	*0.74%*	*3.63%*	*4.27%*	*3.18%*
TOTAL RISK MANAGEMENT FUND	**3,100,885**	**100.0%**	**100.0%**	**-9.85%**	**3,408,554**	**103.8%**	**100.0%**	**-5.32%**	**-14.65%**	**-2.70%**	**3.47%**	**4.88%**
POLICY TARGET BENCHMARK				*-6.87%*				*-2.24%*	*-8.95%*	*0.45%*	*4.31%*	*5.12%*

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.
(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.